

September 29, 2005

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Karen Majcher Universal Service Administrative Company
2000 L Street, NW
Suite 200
Washington, DC 20036

Re: Certification of High Cost Support Pursuant to 47 C.F.R. §§ 54.313,
54.314 and 54.316, CC Docket No. 96-45

Dear Ms. Dortch and Ms. Majcher:

The Public Service Commission of West Virginia (WVPSC) hereby submits its annual certification in accordance with 47 C.F.R. §§ 54.313, 54.314 and 54.316. These rules of the Federal Communications Commission (FCC) require state certifications to allow non-rural and rural incumbent local exchange carriers, or eligible telecommunications carriers to receive federal universal service support pursuant to 47 C.F.R. §§ 54.301 - 54.314.

I. Use of High Cost Support Certification – All Carriers.

As required by 47 C.F.R. §§ 54.313(a) and 54.314(a), the WVPSC certifies that the following carriers in West Virginia are eligible to receive federal support during January 1, 2006 to December 31, 2006:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. Citizens Telecommunications of West Virginia, Inc.
3. Hardy Telecommunications, Inc. (CLEC)
4. Hardy Telecommunications, Inc. (ILEC)

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5. Verizon West Virginia Inc.
6. ALLTEL Communications, Inc.
7. Spruce Knob Seneca Rocks Telephone, Inc.
8. Gateway Telecom, LLC, dba StratusWave Communications
9. West Side Telecommunications
10. Armstrong Telephone Company - West Virginia
11. Armstrong Telephone Company - Northern Division
12. Easterbrooke Cellular Corporation
13. Highland Cellular, LLC
14. FiberNet, LLC
15. Sprint Corporation
16. War Telecommunications

Attachment A to this letter lists these carriers, each carrier's SAC, whether the carrier is rural or non-rural, and whether the carrier is an incumbent or competitive carrier. The WVPSC further certifies that these carriers will use federal universal service support only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act of 1934, as amended. This certification is the product of formal proceedings before the WVPSC. *See "Commission Order," General Investigation Regarding Certification of Federal Universal Service Funding for Eligible Telecommunications Carriers in West Virginia*, Case No. 05-0714-T-GI (September 29, 2005) (attached as Attachment C). With respect to Verizon West Virginia Inc. (Verizon WV), all federal universal service support received by Verizon WV is used to reduce monthly rates for single-line business and residential customers in West Virginia, and for network upgrades in high-cost areas, pursuant to a stipulation entered into by Verizon WV, the WVPSC Staff and the WVPSC's Consumer Advocate Division, and approved by the WVPSC. *See "Commission Order," Verizon WV, Inc.*, Case No. 05-0039-T-P (Jan. 19, 2005).

II. Rate Comparability Certification – Non-rural ILEC Service Areas.

A. Non-rural ILEC Rate Comparability Certification.

Verizon WV is West Virginia's only non-rural incumbent local exchange carrier (ILEC). As required by 47 C.F.R. § 54.316(a), the WVPSC certifies that the rates charged by Verizon WV in rural areas of its ILEC service area are reasonably comparable to rates charged in urban areas nationwide. This certification is the result of formal proceedings before the WVPSC. *See "Commission Order" Case No. 05-0714-T-GI* (September 29, 2005). In that case the WVPSC found that the rates charged by Verizon WV to residential customers in rural areas of its ILEC service area are comparable to rates charged in urban areas for purposes of 47 U.S.C. § 254(e). As set forth in the Order, three of the four residential calling plans available to all Verizon-WV customers in West Virginia, including those in rural areas, have basic rates which fall below the national urban

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benchmark of \$34.21 per month set forth in the FCC's *Reference Book on Rates, Price Indices and Expenditures for Telephone Service*, dated May 25, 2005. The fourth calling plan, Frequent Caller, has basic rates that are \$3.15 above the benchmark. Nevertheless, the WVPSC believes that all of Verizon WV's rates in rural areas are reasonably comparable to rates charged in urban areas for the following reasons:

a. Since 1988 the rates charged to residential customers in West Virginia have been uniform throughout the state, that is, they do not vary based on whether the customer is located in an urban wire center or a rural wire center.

b. "Local calling areas" are uniformly defined throughout West Virginia, and consist of all adjacent wire centers and wire centers within 22 air miles of the customer's home wire center. This means that every residential customer in every Verizon WV wire center in West Virginia, rural or urban, has a large local calling area, usually in excess of fifty miles in diameter. These large local calling areas benefit residential customers by reducing the need to make long distance calls for normal daily activities.

c. Every residential customer in every Verizon WV wire center has the choice of the same four calling plans. Unlike rate plans in other states, residential customers in rural areas are not forced to subscribe to service under only one rate plan. Since the rate plans are optional, no customer is forced to purchase service under any particular plan. Each customer can choose which plan is best for his or her calling needs.

d. Accordingly, Plan 4 is an optional calling plan that provides flat-rate local calling across a very large area. Customers do not have to choose that plan, since there are other alternative calling plans available from Verizon WV and competitive carriers. Moreover, Plan 4 gives customers flat-rate local calling for calls that are normally billed as long distance calls in other, more urban states.

See Commission Order, General Investigation Regarding Certification of Federal Universal Service Funding for Eligible Telecommunication Carriers in WV, Case No. 05-0714-T-PC, (September 29, 2005).

B. Additional Rate Comparability Certification – Competitive ETCs.

The WVPSC has also reviewed the residential rates charged by competitive eligible telecommunications carriers (CETCs) in rural areas of West Virginia served by Verizon WV and determined that the following CETCs' rates are reasonably comparable to urban rates nationwide:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. ALLTEL Communications, Inc.

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3. Gateway Telecom, LLC, dba StratusWave Communications
4. Easterbrooke Cellular Corporation
5. Highland Cellular, LLC
6. FiberNet, LLC
7. Sprint Corporation

As noted in Attachment B to this letter, most of these carriers offer residential rates to customers in rural wire centers served by Verizon WV that fall below the national urban benchmark of \$34.21 per month set forth in the FCC's *Reference Book on Rates, Price Indices and Expenditures for Telephone Service*, dated May 25, 2005. To the extent that some of these CETCs offer basic calling plans with rates that are above the national urban benchmark, the Commission believes that plans are nevertheless comparable to urban rates nationwide because these plans include calling features that are not federally supported, such as long distance calling and vertical services. The Commission will continue to closely monitor CETCs which offer basic calling plans with rates above the national urban benchmark.

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III. Conclusion.

On behalf of the people of the West Virginia, the WVPSC expresses its appreciation for the Commission's efforts in arriving at a mechanism to provide support that will reduce monthly rates for the bulk of customers and make those rates more comparable to rates paid by consumers in other parts of the Nation.

Sincerely,

Jon W. McKinney
Chairman

JWM/ljm

Enclosures

ATTACHMENT A**Rural and Non-Rural Carriers Certified to Receive High Cost Support**

| Carrier | SAC ¹ | Rural/ Non-Rural ² | Type ³ |
|---|------------------|----------------------------------|-------------------|
| West Virginia PCS Alliance, L.C. dba NTELOS | 209909 | N | C |
| Citizens Telecommunications of West Virginia, Inc. | 200271 | R | I |
| Citizens Telecommunications of West Virginia, Inc. | 204338 | R | I |
| Citizens Telecommunications of West Virginia, Inc. | 204339 | R | I |
| Hardy Telecommunications, Inc. (CLEC) | 200259 | R | C |
| Hardy Telecommunications, Inc. (ILEC) | 200259 | R | I |
| Verizon West Virginia, Inc. | 205050 | N | I |
| ALLTEL Communications, Inc. | 209008 | N | C |
| Spruce Knob Seneca Rocks Telephone, Inc. | 200257 | R | I |
| Gateway Telecom, LLC, dba Stratus Wave Communications | 209001 | N | C |
| West Side Telecommunications | 200277 | R | I |
| Armstrong Telephone Company - West Virginia | 200256 | R | I |
| Armstrong Telephone Company - Northern Division | 200267 | R | I |
| Easterbrooke Cellular Corporation | 209006 | R | C |
| Easterbrooke Cellular Corporation | 209006 | N | C |
| Highland Cellular, LLC | 209003 | R | C |
| Highland Cellular, LLC | 209003 | N | C |
| FiberNet, LLC | 209002 | N | C |
| FiberNet, LLC | 209002 | R | C |
| Sprint Corporation | 209007 | N | C |

¹Study Area Code

²R - Rural Carrier; N - Non-Rural Carrier

³I- Incumbent; C - Competitive

| | | | |
|------------------------|--------|---|---|
| War Telecommunications | 200258 | R | I |
|------------------------|--------|---|---|

ATTACHMENT B

**ADDITIONAL RATE COMPARABILITY CERTIFICATION
COMPETITIVE ETCS**

| | | |
|---------------|---------|--------------|
| FCC Benchmark | Carrier | Carrier Rate |
|---------------|---------|--------------|

| | | |
|---------|--|--------------------|
| \$34.21 | West Virginia PCS Alliance, L.C. dba NTELOS | \$31.59 |
| \$34.21 | FiberNet, LLC | \$34.20 |
| \$34.21 | ALLTEL Communications, Inc. (Includes bundled long distance & several vertical features) | \$35.35 |
| \$34.21 | Sprint Corporation (Includes bundled long distance & several vertical features) | \$40.42 |
| \$34.21 | Highland Cellular, LLC | \$28.76 |
| \$34.21 | Easterbrooke Cellular Corporation | \$25.83 |
| \$34.21 | Gateway Telecom, LLC, dba StratusWave | \$24.96 \$30.56 |

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 29th day of September, 2005.

CASE NO. 05-0714-T-GI

GENERAL INVESTIGATION REGARDING
CERTIFICATION OF FEDERAL UNIVERSAL
SERVICE FUNDING FOR ELIGIBLE
TELECOMMUNICATIONS CARRIERS IN WEST
VIRGINIA

COMMISSION ORDER

By this Order, the Commission finds that eligible telecommunications carriers in West Virginia are appropriately using federal universal service funds and that rates in rural areas served by non-rural incumbent carriers are comparable to rates charged in urban areas.

Background

By Orders issued May 17, 2005, and July 14, 2005, the Commission noted that the Federal Communications Commission (FCC) requires states to file a certificate stating that all federal high-cost funds flowing to non-rural carriers and rural carriers in that state will be used consistent with Section 254(e) of the Telecommunications Act of 1934 (as amended). *See* 47 U.S.C. 254(e); 47 C.F.R. §§ 54.313 and 54.314. These filings must be made on an annual basis, in order for the states to certify which carriers are eligible for universal service funds. Further, pursuant to 47 C.F.R. § 54.313(c), if the Commission files a certification with the FCC prior to October 1, then universal service funds for the next calendar year will be forwarded to non-rural carriers; however, if they are not filed by October 1, then the number of calendar quarters for which non-rural carriers receive funding is reduced. This filing is also required of rural carriers, as seen in 47 C.F.R. § 54.314.

Pursuant to *W. Va. Code* § 24-1-1(f)(2) and Rule 6.3. of the *Rules of Practice and Procedure*, the Commission initiated a general investigation (GI) regarding the certification

of federal universal service funding for eligible telecommunications carriers (ETCs) in West Virginia, for calendar year 2006. The GI was opened to determine whether ETCs are in compliance with Section 254(e)⁴ of the Telecommunications Act of 1934 (as amended).

The Commission further noted the FCC's release of a Report and Order on March 17, 2005 which addressed, in part, annual certification and reporting requirements ("Report and Order").⁵ In the Report and Order, the FCC strengthened its reporting requirements for ETCs to ensure that high-cost universal service support continues to be used for its intended purposes. The FCC's new requirements, as well as the FCC's statement of need for the additional requirements, were set forth in this Commission's May 17, 2005, Order. The FCC further encouraged state commissions to adopt the same annual reporting requirements, to be applicable to all ETCs, not just competitive ETCs. Report and Order at ¶ 71. The FCC also recognized that state commissions possess the authority to rescind ETC designations for failure of an ETC to comply with the requirements of section 214(e) of the Act or any other conditions imposed by the state. Report and Order at ¶ 72.

This Commission's May 17, 2005, Order adopted the FCC's annual reporting requirements, in addition to the reporting requirements required in previous years, including that all ETCs must file verified statements that they use universal service support only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

Also, pursuant to 47 C.F.R. § 54.316, each state must annually review the comparability of residential rates in rural areas served by *non-rural incumbent* local exchange carriers to urban rates nationwide, and certify to the FCC and USAC whether the rates are reasonably comparable. Verizon WV is the only non-rural incumbent local exchange carrier in West Virginia. Thus, only ETCs serving such non-rural service areas are

⁴ This section states that federal universal service funds received by ETCs must be used "only for the provision, maintenance and upgrading of facilities and services for which the support is intended."

⁵ *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, FCC 05-46 (Rel. March 17, 2005).

required to make rate comparability certifications. For purposes of making this determination, the carriers were required to file with this Commission the following information:

1. Monthly line charge
2. Monthly usage charges (an average may be used)
3. Any federal subscriber line charge
4. Any federal universal service credit
5. Any federal universal service surcharge
6. Any local number portability surcharge
7. Any telecommunications relay service surcharge
8. Any E-911 surcharge
9. Federal excise tax.

Filings of the information as set forth above were ordered to be submitted in accordance with the following schedule:

| <u>Filing</u> | <u>Deadline</u> |
|---|--------------------|
| Carriers' Initial filings with 12 months of data and supporting documents | August 1, 2005 |
| Commission Staff's Final Memorandum | September 10, 2005 |
| Carriers' Responses to Staff's Final Memorandum | September 20, 2005 |

The Commission also directed that the carriers' verified statements be posted on the Commission's website at <http://www.psc.state.wv.us>; directed that notice of its Order and the internet posting of carriers' verified statements be published once in the Charleston Gazette and Charleston Daily Mail and invited interested persons to file comments with the Commission by August 10, 2005.

By filing on June 13, 2005, Frontier asserted that all eight of the additional data filing items are duplicative or inapplicable as applied to Frontier. Frontier argued that it would make no sense, for example, for Frontier to certify that its calling plans are comparable to those of the incumbent when it is the incumbent. The FCC acknowledged that the Commission is in the best position to determine whether West Virginia ETCs are properly using their federal universal service receipts. Ongoing regulation assures proper use. There is no need to apply the eight additional data items to Frontier in order to make the annual ETC certification. Competitive ETCs, on the other hand, are not similarly regulated and it makes sense for the Commission to require the eight additional data items of them.

By Order issued July 14, 2005, in response to filed pleadings, the Commission

corrected some of the filing deadlines set forth in the May 17, 2005, Order⁶, but otherwise retained the requirement that all West Virginia ETCs file their certifications under Section 254(e) of the Act by August 1, 2005. The Commission also ordered Staff to comment on Frontier's arguments asserting that the eight additional filing requirements should be deemed inapplicable.

Thereafter, in accordance with the August 1, 2005, filing deadline, the following ETCs filed their respective documentation and requests that the Commission certify to the FCC and the USAC their eligibility to continue to receive federal high cost support in calendar year 2006:

1. Citizens Telecommunications of West Virginia, Inc.
2. Spruce Knob Seneca Rocks Telephone, Inc.
3. Hardy Telecommunications, Inc. ILEC
4. Hardy Telecommunications, Inc. CLEC
5. West Side Telecommunications
6. West Virginia PCS Alliance, L.C. dba NTELOS
7. StratusWave Communications, LLC
8. Armstrong Telephone Company - West Virginia
9. Armstrong Telephone Company - Northern Division
10. Easterbrooke Cellular Corporation
11. Highland Cellular, LLC
12. War Telecommunications
13. FiberNet, LLC; SprintCom, Inc.

⁶ See, May 27, 2005, Petition for Modification filed by Sprint Spectrum, Inc., dba Sprint PCS (Sprint), asking Commission to change the August 1, 2005, filing date to October 1, 2006; June 3, 2005, Staff response; June 13, 2005, Reply to Staff filed by Citizens Telecommunications Company of West Virginia dba Frontier Communications of West Virginia (Frontier); June 16, 2005, FiberNet Reply to Staff.

14. Sprint Spectrum, L.P. and WirelessCo., L.P. (collectively Sprint Corporation)
15. Verizon West Virginia, Inc.
16. ALLTEL Communications, Inc.

On September 9, 2005, Commission Staff filed its Initial and Final Joint Staff Memorandum in this matter. Staff stated that all of the ETCs in the state, with the exception of ComScape which is not currently operational, have satisfactorily met the Commission's requirements set forth in the July 14, 2005, Order. Staff opined that it is not necessary for ComScape to participate in this proceeding.

Staff urged the Commission to deny Frontier's request for a waiver of the certain ETC reporting requirements. While the avoidance of duplicative filings at the Commission is a commendable goal, Staff opined that permitting waivers on a company by company basis with regard to ETC certification would lead to confusion in years to come regarding what companies are required to respond to which information items. The Commission is better able to analyze and compare the ETC data when each company provides all required data. To avoid duplication, the simpler remedy for Frontier would be to seek to reopen its most recent Incentive Regulation Plan (IRP) case, Case No. 05-0040-T-PC, for the purpose of modifying the IRP order and agreement such as to eliminate the duplication of reported items.

On September 19, 2005, Frontier filed a Reply to Staff. Frontier argued that the FCC did not intend that States adopt duplicative or inapplicable requirements. Rather, the FCC was clear that states should not adopt any data element that duplicates existing regulation or that otherwise is inapplicable. *Citing*, ETC Certification Report and Order at ¶ 71. Frontier argued that reopening Frontier's IRP would be burdensome on Frontier, Staff, the Commission's Consumer Advocate Division (CAD) and the Commission. Frontier would never choose to reopen an IRP except under the "most calamitous of circumstances." Frontier concluded that Staff has presented nothing that would warrant applying the eight additional data elements to Frontier or to similarly situated ILECs.

On September 26, 2005, the CAD filed a letter stating that Verizon's August 1, 2005, filing had two shortcomings. First, the Federal Universal Service Credit for Verizon is listed incorrectly as \$1.70 per month. The current Federal Universal Service Credit should be \$2.00 per month, as set forth in the Stipulation and Order in Case No. 05-0039-T-P. The \$1.70 listed by Verizon was the amount of the credit during 2004. Second, the Commission's Orders asked for monthly usage charges. Verizon supplied usage rates, in its filing of August 1, 2005, but did not provide a dollar amount for monthly average usage. As a result, CAD said, the usage information is virtually useless in determining whether composite rates under Verizon's various residential calling plans are above or below the national monthly rate benchmark of \$34.21. For purposes of filing this year's certification of rate comparability, the CAD recommended that the Commission incorporate the average monthly usage used for

Verizon's various plans in the 2004 certification. Those usage amounts are as follows:

| | |
|--------------------------------|-------------------|
| Plan 1 (Thrifty Caller) | \$4.74 per month |
| Plan 2 (Community Caller) | \$1.88 per month |
| Plan 3 (Community Plus Caller) | \$1.21 per month |
| Plan 4 (Frequent Caller) | \$0.00 per month. |

CAD opined that use of the above data should allow the Commission to make the required certifications of rate comparability with the FCC and USAC by the October 1, 2005, deadline.

DISCUSSION

Use of High Cost Support Certification - All Carriers

With regard to the use of USF funds, the Commission finds that the following telecommunications carriers should be certified to receive Federal Universal Service support during January 1, 2006 to December 31, 2006, as they use federal universal service support only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Telecommunications Act of 1934 (as amended):

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. Citizens Telecommunications of West Virginia, Inc.
3. Hardy Telecommunications, Inc. (CLEC)
4. Hardy Telecommunications, Inc. (ILEC)
5. Verizon West Virginia, Inc.
6. ALLTEL Communications, Inc.
7. Spruce Knob Seneca Rocks Telephone, Inc.
8. Gateway Telecom, LLC, dba StratusWave Communications
9. West Side Telecommunications
10. Armstrong Telephone Company - West Virginia
11. Armstrong Telephone Company - Northern Division
12. Easterbrooke Cellular Corporation
13. Highland Cellular, LLC
14. FiberNet, LLC
15. Sprint Corporation
16. War Telecommunications

Rate Comparability Certification - Non-rural ILEC Service Areas

As recommended by the CAD in its September 26, 2005, filing, for purposes of filing this year's certification of rate comparability, the Commission will this year incorporate the average monthly usage figures used for Verizon's various plans in the 2004 certification. The Commission further directs carriers to file average monthly usage figures in future certification proceedings.

The Commission finds that the rates charged by the incumbent non-rural carrier, Verizon WV, to residential customers in rural areas of West Virginia are comparable to rates charged in urban areas for purposes of 47 U.S.C. § 254(e). As set forth in Attachment A hereto, three of the four residential calling plans available to all Verizon WV customers in West Virginia, including those in rural areas, have basic rates which fall below the national urban benchmark of \$34.21 per month set forth in the FCC's *Reference Book on Rates, Price Indices and Expenditures for Telephone Service*, dated May 25, 2005. The fourth calling plan, Frequent Caller, has basic rates that are \$3.15 above the benchmark. Nevertheless, the West Virginia Commission believes that all of Verizon WV's rates in rural areas are reasonably comparable to rates charged in urban areas for the following reasons:

1. Since 1988 the rates charged to residential customers in West Virginia have been uniform throughout the state, that is, they do not vary based on whether the customer is located in an urban wire center or a rural wire center.
2. "Local calling areas" are uniformly defined throughout West Virginia, and consist of all adjacent wire centers and wire centers within 22 air miles of the customer's home wire center. This means that every residential customer in every Verizon WV wire center in West Virginia, rural or urban, has a large local calling area, usually in excess of fifty miles in diameter. These large local calling areas benefit residential customers by reducing the need to make long distance calls for normal daily activities.
3. Every residential customer in every Verizon WV wire center has the choice of the same four calling plans. Unlike rate plans in other states, residential customers in rural areas are not forced to subscribe to service under only one rate plan. Since the rate plans are optional, no customer is forced to purchase service under any particular plan. Each customer can choose which plan is best for his or her calling needs.
4. Accordingly, Plan 4 is an optional calling plan that provides flat-rate local calling

across a very large area. Customers do not have to choose that plan, since there are other alternative calling plans available from Verizon WV and competitive carriers. Moreover, Plan 4 gives customers flat-rate local calling for calls that are normally billed as long distance calls in other, more urban states.

Additional Rate Comparability Certification - Competitive ETCs

The Commission also reviewed the comparability of the residential rates of the following competitive ETCs charged in rural areas of West Virginia served by Verizon WV and determined that they are reasonably comparable to rates charged in urban areas:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. ALLTEL Communications, Inc.
3. Gateway Telecom, LLC, dba Stratus Wave Communications
4. Easterbrooke Cellular Corporation
5. Highland Cellular, LLC
6. FiberNet, LLC
7. Sprint Corporation

As noted in Attachment B to this Order, most of these carriers offer residential rates to customers in rural wire centers served by Verizon WV that fall below the national urban benchmark of \$34.21 per month set forth in the FCC's *Reference Book on Rates, Price Indices and Expenditures for Telephone Service*, dated May 25, 2005. To the extent that some of these CETCs offer basic calling plans with rates that are above the national urban benchmark, the Commission believes that plans are nevertheless comparable to urban rates nationwide because these plans include calling features that are not federally supported, such as long distance calling and vertical services. The Commission will continue to closely monitor CETCs which offer basic calling plans with rates above the national urban benchmark.

Certification conclusion

Pursuant to Section 254(e) of the Telecommunications Act of 1934 (as amended), the West Virginia Public Service Commission finds that it should certify by letter to the FCC that all federal high cost support will be used by the above-listed ETCs only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Telecommunications Act. Such letter shall be issued and received by the FCC on or before Friday, September 30, 2005.

Frontier's petition for waiver

As to Frontier's petition for waiver of the requirement to respond to the additional 8 data items set forth in the Commission's July 14, 2005, Order, the Commission agrees with Staff that the filing burden on Frontier will be minimal, and will aid Staff and the

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Commission in comparing data among the ETCs filed in this annual proceeding. By separate order to be issued in Case No. 05-0040-T-PC, on or about the same date this order is issued, the Commission will, on its own motion, reopen the IRP proceeding for the purpose of eliminating the duplicative reporting items.

ORDER

IT IS THEREFORE ORDERED that a certification be issued to the Federal Communications Commission stating that the following carriers are using Federal Universal Service support only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Telecommunications Act of 1934 (as amended):

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. Citizens Telecommunications of West Virginia, Inc.
3. Hardy Telecommunications, Inc. (ILEC)
4. Hardy Telecommunications, Inc. (CLEC)
5. Verizon West Virginia, Inc.
6. ALLTEL Communications, Inc.
7. Spruce Knob Seneca Rocks Telephone, Inc.
8. Gateway Telecom, LLC, dba Stratus Wave Communications
9. West Side Telecommunications
10. Armstrong Telephone Company - West Virginia
11. Armstrong Telephone Company - Northern Division
12. Easterbrooke Cellular Corporation
13. Highland Cellular, LLC
14. FiberNet, LLC
15. Sprint Corporation
16. War Telecommunications

IT IS FURTHER ORDERED that it is appropriate to certify to the Federal Communications Commission and the Universal Service Administrative Company that the above stated carriers are eligible to continue receiving Federal Universal Service support for calendar year 2006, based on the verified statement submitted to the Commission.

IT IS FURTHER ORDERED that it is appropriate to certify to the Federal Communications Commission and the Universal Service Administrative Company that

the residential rates charged by the following competitive eligible telecommunications carriers in rural areas of West Virginia served by Verizon WV are reasonably comparable to urban rates nationwide:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. ALLTEL Communications, Inc.
3. Gateway Telecom, LLC, dba Stratus Wave Communications
4. Easterbrooke Cellular Corporation
5. Highland Cellular, LLC
6. FiberNet, LLC
7. Sprint Corporation

IT IS FURTHER ORDERED that by August 1, 2006, all eligible telecommunications carriers providing service in areas served by a non-rural incumbent local exchange carrier shall also file, for the purposes of making the rate comparability determination, the following information:

- (1) Monthly line charge
- (2) Average monthly usage
- (3) Any federal subscriber line charge
- (4) Any federal universal service credit
- (5) Any federal universal service surcharge
- (6) Any local number portability surcharge
- (7) Any telecommunications relay service surcharge
- (8) Any E-911 surcharge
- (9) Federal excise tax.

IT IS FURTHER ORDERED that on or before August 1, 2006, regardless of whether the Commission has yet instituted the 2006 annual certification proceeding, all eligible telecommunications carriers designated by this Commission shall, in addition to the information detailed above for the then most recent calendar year, also file:

- (1) progress reports on the ETC's five-year service quality improvement plan, including maps detailing progress towards meeting its plan targets, an explanation of how much universal service support was received during the most recent calendar year, and how the support was used during that period to improve signal quality, coverage, or capacity; and an explanation regarding any network improvement targets that have not been fulfilled. The information should be submitted at the wire center level;
- (2) for the most recent calendar year, detailed information on any outage lasting at least 30 minutes, for any service area in which an ETC is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect at least ten percent of the end users served in a designated service area, or that potentially affect a 911 special facility (as defined in subsection (e) of section 4.5 of the *Outage Reporting Order*). Specifically, the ETC's annual report must include: (1) the date and time of

onset of the outage; (2) a brief description of the outage and its resolution; (3) the particular services affected; (4) the geographic areas affected by the outage; (5) steps taken to prevent a similar situation in the future; and (6) the number of customers affected;

- (3) the number of requests for service from potential customers within its service areas that were unfulfilled for the most recent calendar year. The ETC must also detail how it attempted to provide service to those potential customers;
- (4) the number of complaints per 1,000 handsets or lines during the most recent calendar year;
- (5) certification that the ETC is complying with applicable service quality standards and consumer protection rules, *e.g.*, the Commission's quality of service standards, and the CTIA Consumer Code for Wireless Service;
- (6) certification that the ETC is able to function in emergency situations;
- (7) certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas; and
- (8) certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

IT IS FURTHER ORDERED that the Executive Secretary shall docket in this proceeding a copy of the Commission's letter to the FCC issued pursuant this order.

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission's active docket of cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all eligible telecommunications carriers by United States First Class Mail and upon Commission Staff by hand delivery.

JML/ljm
050714cb.wpd

ATTACHMENT A

| COMPARISON OF VERIZON RATES IN RURAL WIRE CENTERS | | | | |
|---|---------|-----------|------------|----------|
| TO NATIONAL URBAN RATE BENCHMARK | | | | |
| WEST VIRGINIA | | | | |
| 1 August 2005 | | | | |
| | Thrifty | Community | Community+ | Frequent |
| | Caller | Caller | Caller | Caller |
| Charge or Credit | Plan 1 | Plan 2 | Plan 3 | Plan 4 |
| Monthly Line Charge | \$6.00 | \$15.00 | \$22.00 | \$29.00 |
| Monthly Average Usage | \$4.74 | \$1.88 | \$1.21 | \$0.00 |
| Federal Subscriber Line Charge | \$6.50 | \$6.50 | \$6.50 | \$6.50 |
| Federal Universal Service Credit | \$-2.00 | \$-2.00 | \$-2.00 | \$-2.00 |
| Federal Universal Service | \$0.67 | \$0.67 | \$0.67 | \$0.67 |
| Local Number Portability | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Telecommunications Relay | \$0.10 | \$0.10 | \$0.10 | \$0.10 |
| E-911 Surcharge | \$2.00 | \$2.00 | \$2.00 | \$2.00 |
| Subtotal | \$18.01 | \$24.15 | \$30.48 | \$36.27 |
| Federal Excise Tax | \$0.54 | \$0.72 | \$0.91 | \$1.08 |
| TOTAL | \$18.55 | \$25.11 | \$31.39 | \$37.36 |
| National Urban Rate Benchmark | \$34.21 | \$34.21 | \$34.21 | \$34.21 |
| Amount in Excess of Benchmark | n/a | n/a | n/a | \$3.15 |

ATTACHMENT B

**ADDITIONAL RATE COMPARABILITY CERTIFICATION
COMPETITIVE ETCS**

FCC Benchmark Carrier Carrier Rate

| | | |
|---------|--|--------------------|
| \$34.21 | West Virginia PCS Alliance, L.C. dba NTELOS | \$31.59 |
| \$34.21 | FiberNet, LLC | \$34.20 |
| \$34.21 | ALLTEL Communications, Inc. (Includes bundled long distance & several vertical features) | \$35.35 |
| \$34.21 | Sprint Corporation (Includes bundled long distance & several vertical features) | \$40.42 |
| \$34.21 | Highland Cellular, LLC | \$28.76 |
| \$34.21 | Easterbrooke Cellular Corporation | \$25.83 |
| \$34.21 | Gateway Telecom, LLC, dba StratusWave | \$24.96 \$30.56 |